THE HON'BLE SRI JUSTICE V.ESWARAIAH

WRIT PETITION No.23052 of 2006

Between:

Amarender Reddy.

.. PETITIONER

and

The Senior Branch Manager,
APSFC and another.

.. RESPONDENTS

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ORDER:

It is the case of the petitioner that pursuant to the notification for sale of

collateral security property belonging to one R.Bhattu Badru Naik bearing H.No.2-75, Medpally, Uppal Village, Ranga Reddy District, who had failed to repay the loan amount to the Respondent Corporation, the petitioner participated in the Tender proceedings and offered a sum of Rs.53,000/- for purchase of the said property. Accordingly, he received the allotment letter on 19-06-2003. It is stated that he paid a sum of Rs.10,000/- on 20-01-2003 and another sum of Rs.20,000/- on 09-08-2003 towards payment of balance sale consideration and he is ready with the remaining amount for the fulfillment of part of his obligation and for obtaining regular sale deed. While so, on 13-06-2005, the 1st respondent issued a letter to the petitioner stating that the sale pertaining to the collateral security property of R.Bhattu Badru Naik was cancelled and advised the petitioner to take back the E.M.D. amount paid by him. Therefore, the petitioner seeks a Writ of Mandamus declaring the action of the 1st respondent in issuing a letter, dated 13-06-2005, by cancelling the sale of collateral security property as illegal and arbitrary and also direct the respondents to execute a regular registered Sale Deed in favour of the petitioner in respect of the property in question.

A counter has been filed on behalf of the respondents stating that the property in question belongs to one R.Bhattu Badru Naik, who has given the said property as collateral security for sanctioning the loan in his favour to purchase Ashok Leyland vehicle. It is stated that consequent to the default committed by the said Bhattu Badru Naik, Recall-cum-Sale Notice was issued and accordingly the collateral security property was advertised for sale on 23-12-2002 for recovery of balance outstanding under Section 29 of the State Financial Corporations Act, 1951. In response to the said advertisement, the Respondent Corporation received only offer from the

petitioner for purchase of the property in question for sale consideration of Rs.53,000/- on 100% down payment basis. Accordingly, a sale letter was issued to the petitioner on 16-06-2003.

A perusal of the letter, dated 16-06-2003, goes to show that the sale of the said property was for a sum of Rs.53,000/- on 100% down payment subject to the condition that the sale consideration of Rs.53,000/- including EMD of Rs.10,000/- shall be payable within 30 days from 16-06-2003 and possession of the property in question will be handed over only after receipt of 100% sale consideration of Rs.53,000/-.

It is further stated that the petitioner paid Rs.10,000/- towards EMD and he has not paid the balance sale consideration of Rs.43,000/- within 30 days from 16-06-2003, but he has paid only a sum of Rs.20,000/- vide cheque, dated 23-09-2003 i.e., after due date only. Therefore, the sale of the property in question was cancelled and the part sale consideration of Rs.20,000/- and the EMD of Rs.10,000/- was returned to the petitioner on 27-09-2005.

From the above facts and circumstances, it is evident that the petitioner failed to pay the balance sale consideration of Rs.43,000/- within the stipulated time, but after due date only, a sum of Rs.20,000/- was paid and the total amount paid by the petitioner was only Rs.30,000/- as against Rs.53,000/- and, therefore, it cannot be said that the action of the respondents in cancelling the sale of collateral security property is illegal and arbitrary. However, the petitioner has not made the original owner of the property i.e., R.Bhattu Badru Naik, as a party to this writ petition.

Having regard to the facts and circumstances of the case, I am of the opinion that the petitioner is not entitled for regular Sale Deed as the sale was already cancelled.

Accordingly, the writ petition is dismissed. There shall be no order as to costs.

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03-08-2007

Prv